(I) Need for the Project

Indiana is partnering with 44 schools in this Teacher Incentive Fund (TIF) application for the Main competition. These schools include the following Local Education Agencies (LEAs): Clarksville Community School Corporation, Goshen Community Schools, Marion Community Schools, Lake Ridge Schools, School City of Hammond, Metropolitan School District of Decatur Township, Beech Grove City Schools, Oregon-Davis School Corporation, Randolph Eastern School Corporation, South Bend Community School Corporation and Evansville-Vanderburgh School Corporation. Additionally, the following charter schools are participating in this application: KIPP Indianapolis College Preparatory, Challenge Foundation Academy, Indianapolis Metropolitan High School, and two conversion charter schools, currently known as ADI East and ADI West, which will be formally named later this summer. These schools are located throughout the state, from the shores of Lake Michigan to the banks of the Ohio River. They represent a wide variety of school models, including traditional high schools, alternative schools, charter schools, and neighborhood-based K-12 schools. Among them are elementary, middle and high schools. They are located in some of the state's most economically deprived inner-city neighborhoods, as well as in small towns in rural areas of the state; consequently, their students represent different racial and socio-economic backgrounds.

What unites these schools is a desire to reform their human capital practices. Not a single school currently has a performance-based compensation system (PBCS) in place. Very few evaluate all of their teachers on an annual basis. They do not provide career advancement opportunities for teachers, and they are not providing teacher-led, weekly, job-embedded professional development. Best practices that focus on teacher growth and in turn support student achievement are missing from schools across Indiana. Yet through this TIF grant, each school is

committed to remedy these short-comings and advance practice in the classrooms for the benefit of all their leaders, teachers and students.

(I)(1) Recruitment and Retention

The 44 schools that have been selected as part of the state's TIF grant application have struggled for years to recruit and retain effective teachers and leaders so critical for high-need schools to meet the needs of their students. These schools need to provide financial incentives to be able to compete in the labor market to attract and retain the most effective teachers and principals. Overhauling the ineffectual human resource policies in these schools via TIF cannot start soon enough. If Indiana receives an award, selected schools would not only reform their compensation systems but would also improve professional development and evaluation practices.

Based on 2009-2010 school-level data , each school participating in Indiana's TIF application has a minimum of 50% free and reduced lunch-eligible students enrolled, with many having significantly more (up to 95%). A table listing all 44 participating schools and the percentages of free and reduced lunch-eligible students is located in Appendix A: High Need Schools Documentation.

<u>Recruitment</u>

The human capital challenge for these schools is particularly acute for traditionally hard-to-staff subjects: special education, mathematics, sciences, technology education, English as a New Language (ENL), and world languages, as well as some specialty areas like library and communication disorders. In Indiana, hard-to-staff subjects are determined by the number of emergency teaching permits issued by the Indiana Department of Education (IDOE). Under state

law, a school may only request an emergency permit if it cannot find a highly-qualified teacher to fill the position. As such, emergency permits are used to identify shortage areas. IDOE also looks at the number of Transition to Teaching (T2T) hires, because the requirements for hiring T2T candidates are the same as for obtaining emergency teaching permits.

Of the eleven LEAs and five charter schools participating in TIF, six have shortages in one or more special education license areas, five have shortages in math, four have shortages in sciences (some in as many as four different areas of science), four have shortages in world languages, and three have shortages in different areas of technology education. Every participating LEA and charter school has at least one hard-to-staff subject area, and many have far more. These shortages are particularly striking, given that the great majority of participating schools are located in Indiana's population centers -- places where there are not teacher shortages or lack of access to teacher preparation programs. Information on hard-to-staff subjects, along with the numbers of emergency and T2T permits issued in each of the 44 participating schools, is listed in the Appendix C, page 3. Given the competition both in-state and nationally for qualified and effective teachers in hard-to-staff subjects, schools with a PBCS have a distinct advantage in recruitment. TIF will ensure Indiana's participating schools gain that advantage.

Because educator licensing was previously handled by a separate, unique agency outside of IDOE, its records and data have been kept in different ways than IDOE maintains data. IDOE is in the process of transferring all licensing data into IDOE's data systems and therefore, by the spring of 2011, records for emergency and T2T permits will be kept by individual school and not just by LEA. IDOE will be able to track teacher recruitment by each individual school at that time. The information presented above, then, is presented by LEA because IDOE does not currently have access to school-level information related to these numbers.

Retention

Compounding the high demand for teachers of hard-to-staff subject areas is the lack of stability often found in these schools. Even if they were able to recruit promising talent, the process by which teachers and leaders are currently compensated makes it difficult to retain effective educators. Research has shown that schools with high-poverty, high-minority and/or under-performing students all had higher attrition rates than other schools.[1] This is particularly true for teachers in the science, technology, engineering and math (STEM) subjects. Fields other than teaching tend to offer higher pay and much stronger opportunities for career advancement. As a result, these schools have faced a revolving door of teachers and principals. A TIF grant would allow them to put an end to this vicious cycle and reinvigorate the teacher workforce in these schools. The average turnover in participating schools from the 2007-08 to 2008-09 school year was 21%, and the average turnover from the 2008-09 to 2009-10 school year was 20%. For the participating schools located in the most urban neighborhoods (25 of the 44 schools), the average turnover each year was much higher, at 26%. A study published by the U.S. Department of Education's National Center for Education Statistics (NCES) in 1995 revealed that the national average teacher turnover for high-need schools, using the same definition as TIF, was only 9.9%.[2] While turnover has risen in recent years, it is still higher in these participating schools than the national average. Another study by NCES, part of the "Teacher Follow-up Survey from 2004-05," showed that turnover was 16.9% nationally, and 21% in high-poverty schools.[3] These numbers demonstrate Indiana's need for TIF funds to transform Hoosier schools that are having

[1] Teacher Recruitment and Retention: A Review of the Recent Empirical Literature, Cassandra M. Guarino, 2006.
[2] United States Department of Education. National Center for Education Statistics. *Schools and Staffing Survey.* 1990-1991.
[3] United States Department of Education. National Center for Education Statistics. *Schools and Staffing Survey.* 1994-1995.

a difficult time retaining teachers. Teacher turnover data for all participating schools is located in Appendix C, page 6.

Principal retention has also been a challenge in participating schools. Fifteen of the 44 schools had turnover in 2008-09 or 2009-10, and, even more shocking, eight had turnover in both years. That represents 34% of participating schools facing turnover in at least one year, and 18% facing turnover in both of the last two years. With such frequent leadership changes, a school culture is in constant flux and both teachers and students face uncertainty and inconsistency in instructional leadership. Principal retention data for all participating schools is located in Appendix C, page 8.

(I)(2) Student Achievement: When compared to schools of similar size and poverty level, participating schools achieve at lower levels. Sadly, it was not difficult to find comparable schools that were higher-performing, particularly for the five participating schools that are among Indiana's twenty-three lowest performing schools in the state, eligible for potential state takeover if they do not improve by the end of the 2010-11 school year. More information regarding these schools is provided in the Project Design section of the grant. Additionally, six participating schools were eligible for a federal 1003(g) School Improvement Grant, based on meeting the federal definition of one of the state's lowest-performing schools. A chart displaying achievement in comparison to schools of similar demographics is located in Appendix C, page 9. A small sample of TIF schools and comparable schools is presented in this chart.

Sample Achievement in Comparable Schools						
School	**Level**	**F/R Lunch %**	**Enrollment**	**E/LA % Pass**	**Math % Pass**	**Both % Pass**
Clarksville High	High	42	486	66	60	52
North Knox	High	37	407	67	66	55
Whiting	High	44	354	90	69	58
Grissom Elementary School	Elem	94	318	58	54	46

Washington	Elem	90	254	77	82	70
Francis W Parker	Elem	91	349	77	71	64
John L McCulloch Middle Sch	Middle	71	392	52	60	44
Francis M Price	Elem	66	450	67	68	57
Bon Air	Middle	70	300	58	65	51
Delaware Elementary School	Elem	95	471	51	45	37
Anderson	Elem	93	491	86	84	78
Arlington Woods	Elem	94	541	51	57	40
Indianapolis Metropolitan High Sch	High	83	344	26	18	11
Crispus Attucks Medical Magnet	High	81	812	65	67	53
John Marshall Community	High	79	534	23	32	17
Highlighted rows are TIF schools. Comparable schools are in the two rows below each TIF school.						

Overall, the academic achievement of the majority of these schools is low and, without question, needs to be addressed. A TIF grant would allow schools to examine and significantly alter their human capital practices and priorities, getting the most talented people in classrooms and in front of the students who need it most.

(I)(3) Comparable School Definition: Indiana's definition of a "comparable" school for purposes of this application is a school with the following:

1. the same grade span (e.g. elementary compared to another elementary)

2. of a similar enrollment size, and

3.a free and reduced price lunch-eligible enrollment within 5% of the TIF school.

II. Project Design

Goals and Priorities

Consistent with the state's education reform agenda, Indiana's primary purpose in applying for a TIF grant is to implement a comprehensive PBCS to increase educator effectiveness, improve

student achievement, and close achievement gaps in high-need schools. Indiana's vehicle for accomplishing this is TAP: The System for Teacher and Student Advancement (TAP). TAP includes a PBCS and is designed to identify, recruit, develop, place, reward and retain highly effective teachers. The National Institute for Excellence in Teaching (NIET) and IDOE will work in partnership with participating LEAs and schools to fulfill the activities listed in the TIF grant application and accomplish the following goals:

- By August 2012, all participating schools will provide substantial financial incentives (i.e. at least 5% of base salary for teachers and principals who are improving student achievement and for teachers taking on additional responsibilities).
- By May 2012, all participating schools will increase teacher efficacy through on-going, job-embedded, applied professional development, as measured by observations, evaluations, and qualitative surveys.
- By August 2012, all certified openings at participating schools will be filled with highly-qualified and effective teachers - those who, on average, demonstrate at least one year of academic growth per student during an academic year.
- By May 2013, all participating schools will improve student achievement (i.e. teachers will demonstrate, on average, at least one year of academic growth with their students).
- By 2014, all participating schools will retain effective teachers (as defined later in the grant application) at higher rates than comparable schools.
- By the end of the 2014-15 school year, all participating schools will have completed planning to continuously appropriate funds to sustain TAP past the end of the grant period.

The pursuit of these goals reflects the state's courage and determination to fundamentally change education-as-usual in high-need schools. Although performance-based compensation is a key component of TAP, the system also includes targeted and embedded professional development and increased pay for taking on additional roles and responsibilities. Moreover, IDOE strongly believes that effectiveness, as measured by student growth, must be the foundation upon which critical, local-level policies are made (i.e. hiring, promotion, professional development, and compensation). A TIF grant would allow Indiana to move significantly closer to an education ecosystem where schools use effectiveness as the primary means of making personnel decisions.

Along with all of the Absolute Priorities, both Competitive Preference Priorities 4 and 5 will be addressed throughout the application. With regard to Competitive Preference Priority 6, Indiana is not currently a TIF grantee from a previous TIF competition. Because neither Indiana nor any of its participating schools are current TIF grantees, the Additional Eligibility Requirement does not apply to this application. If Indiana is awarded a TIF grant, the state will maintain a PBCS for teachers and principals in participating high-need schools for the duration of the grant period.

TAP and TIF

Developed by the Milken Family Foundation, TAP aspires to turn the teaching profession into a highly rewarding career choice by attracting, developing and retaining talented teachers in high-need schools. First implemented in the 2000-01 school year, TAP is now operated by NIET. Currently, TAP impacts over 7,500 teachers and 85,000 students across the country. TAP is a proven, cost-effective teacher effectiveness reform model that creates opportunities for career advancement, professional growth, fair and rigorous evaluation, and competitive compensation for educators. Moreover, TAP has achieved consistent student academic achievement growth in

high-need schools over multiple years and has increased the retention of effective teachers while reducing the retention of ineffective teachers.[4]

TAP presents several advantages vis-à-vis the United States Department of Education's (ED) TIF grant. First, the principles of TAP are closely aligned with the goals identified in TIF. Second, TAP enables schools to fully customize their support for teachers and students to meet local needs, which is extremely important as no new system can be successful and enduring without teacher support. Third, TAP has the advantage of using proven implementation strategies to ensure success. With over a decade of operational field experience, TAP has successfully addressed many of the challenges often associated with performance-based compensation and integrated support systems. Finally, TAP offers Indiana needed expertise and experience as a strong and thoughtful partner in reform.

It cannot be overstated that the TAP system addresses the most essential element in a school – human capital. TAP's core elements are strongly supported by scientific research along with a high degree of satisfaction within the field. Moreover, the TAP system mirrors successful business models which work to emphasize incentives, accountability, on-the-job training and career paths as methods to encourage and create effective teachers and leaders.

IDOE recently took a group of education leaders from around the state to visit TAP schools outside of Indiana, with the purpose of observing implementation and learning about the system. This visit, along with the support of the University of Indianapolis's Center for Excellence in Leadership of Learning (CELL), has generated among many of Indiana's school leaders strong interest and enthusiasm for TAP.

[4] Daley, Glenn, and Sarah Shoff. *Tap Research Summary.* Publication. April 2010.

TAP approaches the challenge of differentiating teacher and principal effectiveness through a multifaceted, coherent approach, as opposed to the disjointed, piecemeal policies imposed from the top down in too many schools across the state. TAP intentionally aligns systems for recruiting, promoting, supporting, evaluating and compensating talent to enhance not only teacher effectiveness but also job satisfaction and collegiality. This alignment satisfies the requirements of Absolute Priority 3. These aspects also directly affect recruitment and retention of effective educators, particularly in high-need schools and hard-to-staff subjects. Specifically, TAP's approach incorporates four interrelated elements:

1. *Multiple career paths* – TAP provides powerful career growth opportunities through new roles and responsibilities and corresponding growth in pay. The "master teacher" role is a completely new role in schools, with these individuals serving as instructional leaders to the faculty. Master and mentor teachers form a leadership team, along with the principal, to deliver school-based professional support and conduct classroom observations. Master and mentor teachers receive significant additional compensation for these new roles and satisfy element (c) of Absolute Priority 1.
2. *Ongoing applied professional growth* – TAP restructures the school schedule to provide time during the regular school day for continuous, job-embedded development focused on specific student and teacher needs. In weekly cluster group development sessions, teachers share instructional strategies, analyze student data and engage in collaborative planning led by master and mentor teachers. Strategies are field tested by master teachers with students in the respective school to ensure relevance and effectiveness. Teachers also receive individual support and coaching from master and mentor teachers. This

ensures that element 5 of the grant's Project Design requirement (discussed later) is fully met.

3. *Instructionally focused accountability* - TAP teachers are observed several times a year through formal and informal classroom observations conducted by mentor and master teachers and the principal. Notably, TAP has developed a fair, transparent, research-based evaluation system that rigorously differentiates teachers across four levels: ineffective, fair, effective, and highly-effective. Leadership teams monitor the reliability and consistency of classroom evaluation scores, allowing for meaningful differentiation in teacher effectiveness. These observation-based assessments ensure that element (b) of Absolute Priority 1 is satisfied. Additionally, administrators are observed multiple times each year by trained, certified evaluators.
4. *Performance-based compensation* - Teachers and principals in TAP schools have the opportunity to earn performance bonuses each year based on instructional performance and student growth. Effectiveness is evaluated using multiple measures: classroom observation scores, classroom achievement growth and school-wide achievement growth. Student growth is measured by Indiana's student growth model (explained in more depth in the next section). This model is a value-added measure of student achievement and thus satisfies Competitive Preference Priority 4.

The TAP system works with teachers and principals to systematically improve their skills, which in turn leads to increased student achievement. Recognizing the importance of ground level buy-in, TAP requires a staff vote of 75% or more to implement and retain the use of the system; this ensures sustained support for the PBCS. By combining the four elements outlined above, TAP

will work with the state to turn teaching in a high-need school into a highly rewarding career choice.

(II)(1): Statewide Strategy

Indiana seeks a TIF grant to catalyze the sweeping changes called for in the state's education reform agenda. This agenda was developed during the past year and builds upon the far-reaching and fast-moving reforms initiated by Superintendent of Public Instruction, Dr. Tony Bennett, in January 2009 when he took the helm at IDOE. Although the reform agenda was developed for Indiana's Race to the Top (RttT) application, Superintendent Bennett has made it clear to Indiana's education community that implementation of these reforms was not contingent upon the receipt of RttT funding. TIF presents an extraordinary opportunity in terms of the scope and pace of the agenda, which focuses on the importance of supporting human capital. In response, Indiana will deliver an ambitious implementation strategy that relies on broad stakeholder engagement, dramatically increases teacher and principal effectiveness, and produces improved and enduring student achievement in high-need schools.

Indiana is a state ready for significant reform and the performance-based compensation systems called for in TIF. Paralleling the four assurances of the United States Department of Education, the state's reform agenda calls for an aggressive strategy that focuses on (1) college and career ready standards and assessments, (2) robust data systems, (3) great teachers and leaders, and (4) turning around the lowest-achieving schools. The importance of human capital and TIF is central to Indiana's plan for cultivating great teachers and great leaders, but it is also part and parcel of the state's strategy for transforming its most distresses schools and ensuring effective implementation of world-class standards and the use of better data by key stakeholders throughout the state.

Standards and Assessments

Drawing on its extensive experience as a leader in the standards movement, the state is deeply committed to both the Common Core State Standards Initiative (Common Core) and unified assessments based on the Common Core. These unified assessments will ensure students reach the right goals and will provide vehicles for the reliable and valid evaluation of teacher and principal performance in helping students reach those goals. In collaboration with partner states, Indiana is urgently exploring ways to supplement and bridge its current assessments to the measurement of Common Core, which the state is preparing to adopt later this summer. Coupled with Indiana's newly released student growth model and a TIF grant, this bridge will help ensure that schools have a solid foundation upon which to establish innovative performance systems.

Indiana is one of only a few states that currently have a clear approach to measuring growth in student learning at the individual student level. Indiana has already implemented student growth percentiles as its growth model; a detailed explanation of Indiana's student growth model is located in Appendix C, page 18. Last fall, schools and LEAs were given access to summary growth data as the state began a multi-step rollout to wider audiences. In August 2010, teachers will have access to the growth of their students from the most recent school year (2009-10). It is important to note that while TIF uses the language "value-added," Indiana's definition of student growth and Indiana's growth model are synonymous with the term value-added. This application uses the term student growth, simply because that is IDOE's vernacular, and not for the purpose of drawing any distinction between student growth and value-added.

Data Systems

IDOE has executed an extensive longitudinal data initiative over the last two years with the goal

of improving the quality and use of data in an effort to improve student achievement. To that end, IDOE will have a fully implemented data warehouse by the end of 2010. The data warehouse will be the authoritative data source for "The Learning Connection," a teacher portal recently launched by IDOE. Among its other functions, The Learning Connection will serve as an electronic backpack for students statewide – a portfolio of each individual student's assessment results, courses, grades, work products, planning and other elements that will assist the student's teachers and counselors in instruction and guidance over his or her K-12 career, regardless of the student's mobility within the state. The Learning Connection will also serve as a teacher community resource site, providing opportunities for teachers to share resources and best practices.

School Turnaround

Indiana has developed a comprehensive school turnaround strategy as part of the state's reform agenda. This strategy is tightly aligned to the state's school accountability program. Known as Public Law 221 (P.L. 221), the program outlines IDOE's authority to annually place schools in one of five categories based on performance and improvement. P.L. 221 also outlines the timeline under which schools in the lowest category would face intervention and the possibility of state takeover. Currently 23 Indiana schools are on track to meet eligibility criteria for direct state takeover in 2011-12. Five of these schools have chosen to participate in this grant, seeing that TAP has the potential to improve their human capital, and thus improve the whole school: Calumet High School, Hammond High School, Morton Senior High School, Marion High School, and Bendix School.

The state's plan for school turnaround consists of three inter-related components: using a Turnaround Management Organization (TMO) to drive success in the lowest-performing schools, executing Memoranda of Agreement (MOAs) with schools at risk of state takeover, and ensuring that necessary supports and conditions are in place for successful school turnaround. For the schools listed above that are participating in TIF, TAP is one of those supports. Full details of Indiana's turnaround strategy are located in Appendix C, page 14.

Indiana will leverage TIF to help meet the challenge of turning around the state's lowest-performing schools. Notably, TIF funding would provide schools the right incentives and targeted assistance to restructure practice and revitalize the profession by creating learning communities that attract the most effective teachers to the neediest schools, turning the tide of low morale and high attrition that afflict too many of the state's most distressed school communities. Moreover, IDOE recognizes that turnaround can only be successful if the right set of supports and conditions are put into place. TIF will not only help participating schools establish the infrastructure for turnaround; it will also establish proof points that other high-needs schools and districts could use as a model or systemic blueprint for turnaround.

Great Teachers and Leaders

IDOE has developed a standard teacher and principal evaluation tool that differentiates individual performance into four rating categories, with 50% of each individual's performance rating based on student growth data. In the spring of 2010, the evaluation tool was piloted in a number of schools and is currently being refined with assistance from The New Teacher Project. While Indiana will encourage LEAs to adopt the state's tool, it is consistent with TAP's evaluation tool, and will not be mandated in schools choosing to utilize TAP. IDOE is also in

the process of redefining teacher standards to become the first state in the country to clearly align expectations for teachers with both Common Core and the state's academic standards. Moreover, Indiana is on track to establish, by the 2010-11 school year, a data system that will allow for the evaluation of teacher preparation programs by linking institutions of higher education with the academic performance of students taught or led by their graduates.

Sustaining these efforts will require an ongoing investment in developing robust human capital pipelines. Indiana has established partnerships with several well-regarded talent organizations including Teach For America in Indianapolis and Gary, The New Teacher Project's Indianapolis Teaching Fellows, and the Woodrow Wilson Teaching Fellows in Indianapolis, Muncie, and other sites throughout the state.

Human capital is the centerpiece of Indiana's reform agenda, and TIF perfectly aligns with this priority by supporting and sustaining high quality teachers and leaders in high need schools. Providing educators with strong standards and assessments, curricular resources, and real-time data is critical. But Indiana recognizes that these steps are fruitless without the power of talented and passionate adults in the buildings that serve the state's neediest students. Thus, the state has devoted significant resources to the evaluation and support of these educators. Embedded in that evaluation and support is the importance of rewarding excellence and incenting high performance.

Indiana committed to developing a PBCS when it was awarded a National Governor's Association (NGA) grant in early 2009 to plan a statewide pay-for-contribution strategy. TIF affords the state the means to implement such a system. After careful research and consideration of varied avenues for establishing PBCS, Indiana has determined that using a TIF grant to

implement TAP would be an effective way to broadly reform teacher and principal compensation practices. Indiana is proud to partner with NIET in the submission of this grant application and is confident in TAP's alignment with the priorities of TIF. Indiana's comprehensive, state-wide reform strategy, including TIF and TAP, ensures the state has met the requirements of Absolute Priority 3.

Performance Compensation and Defining Effectiveness

Indiana will utilize the PBCS element of TAP to reward, at differentiated levels, teachers and principals who demonstrate effectiveness by achieving student growth. TAP's PBCS fully satisfies Absolute Priority 1. Performance bonuses for teachers and principals will be at least 5% of their base salaries. While some researchers suggest that there is not ample evidence to determine the optimal incentive amount,[5] there is broad consensus that the amount needs to be meaningful - approximately 5% or more of total compensation and possibly significantly more in high-need schools.[6] While research on the size of performance bonuses both inside and outside education is mixed, at least one study says that a minimum bonus of 3.5% is meaningful to private sector employees.[7] But additional studies suggest that 5% of salary is a better target for a meaningful bonus.[8] Based on this research, IDOE has targeted 5% of base salary as the average bonus level set out in this application.

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[5] Podgusky, Michael and Matthew Springer. "Teacher Performance Pay: A Review." *College Park: Journal of Policy Analysis and Management* 26.4 (2007): 909-49.

[6] Heneman, Herbert, Anthony Milanowski and Steven Kimball. *Teacher Performance Pay: Synthesis of Plans, Research, and Guidelines for Practice.* Madison, WI: University of Wisconsin-Madison, 2007. Odden, Allan and Mark Wallace. *Rewarding Teacher Excellence: A Teacher Compensation Handbook for State and Local Policymakers.* Madison, WI: University of Wisconsin, Wisconsin Center for Education Research. 2007.

[7] Varadarajan, Poondi, and Charles Futrell. "Factors Affecting Perceptions of Smallest Meaningful Pay Increases." *Industrial Relations* 23.2 (1984): 278-85.

[8] Bowen, David E., Edward E. Lawler III, and Christopher G. Worely. "On the relationship between objective increases in pay and employees' subjective reactions." *Journal of Organizational* Behavior 13.6 (1992) :559–71.

The TAP evaluation system does what the current system does not – it directly ties evaluations to compensation. The TAP system rewards teachers and principals in multiple ways for their effectiveness. On an annual basis, all teachers and principals in Indiana TIF schools would earn bonuses for increasing school-wide student academic growth. Teachers would also be eligible for bonuses based on the growth of students in their individual classrooms and on the results of their multiple classroom evaluations. For teachers in tested subjects and grades, Indiana's TAP system would require 50% of annual teacher bonuses based on classroom evaluation results, 30% based on classroom student achievement growth and 20% based on school-wide growth. For teachers in non-tested subjects, the TAP leadership team in each school would work with those teachers to determine how to measure their effectiveness. Possibilities include an equal emphasis on both school-wide growth and classroom evaluations, or growth targets tied to a particular tested content area. For example, art teachers might choose to associate growth with the scores for 3rd grade math, in which case they would attend the professional development meetings related to math to transfer strategies and processes back into the classroom. Or they could choose a combination of school-wide growth and an associated subject.

Teacher effectiveness in Indiana TAP schools will be measured by meeting or exceeding proficiency on TAP's rigorous classroom evaluation standards, known as the TAP Skills, Knowledge and Responsibilities (SKR) scores. Effectiveness of teachers and principals is based on TAP's five-point scale for both the SKR score and student growth. IDOE considers a teacher or principal to be effective if students achieve at least one academic year of growth. On the five-point growth scale used by TAP schools, *1* represents significantly lower than one year of student growth for similar students; *3* represents one year of expected academic growth for similar students; and *5* represents significantly higher than one year of growth for similar

students. The chart on page 33 shows the strong relationship between teacher classroom evaluation ratings and value-added indicators of student learning growth.[9] The classroom observation methods are both valid and reliable. As the chart shows, the relationship between teacher evaluation scores and student value-added achievement growth holds true regardless of the school's overall level of performance.

To be considered effective, teachers must earn a minimum score of 2.5 on the SKR portion of the evaluation. Under the TAP score system, a score of 3 shows the students in the classroom or school-wide have met a year's worth of growth. Therefore, teachers and principals must earn a minimum score of 3 to receive a performance bonus. To create significant bonus amounts, Indiana TAP schools would place $2,500 per teacher into a bonus pool designed to deliver incentives. This amount is equal to five percent of the average salary for Indiana teachers ($49,967). Based on TAP's multiple measures of performance, an individual teacher's performance compensation could range from zero to about $5,000. These performance bonuses satisfy the requirements of Absolute Priority 1. The award pool for career, mentor and master teachers will be allocated as follows (as shown in the graphs below):

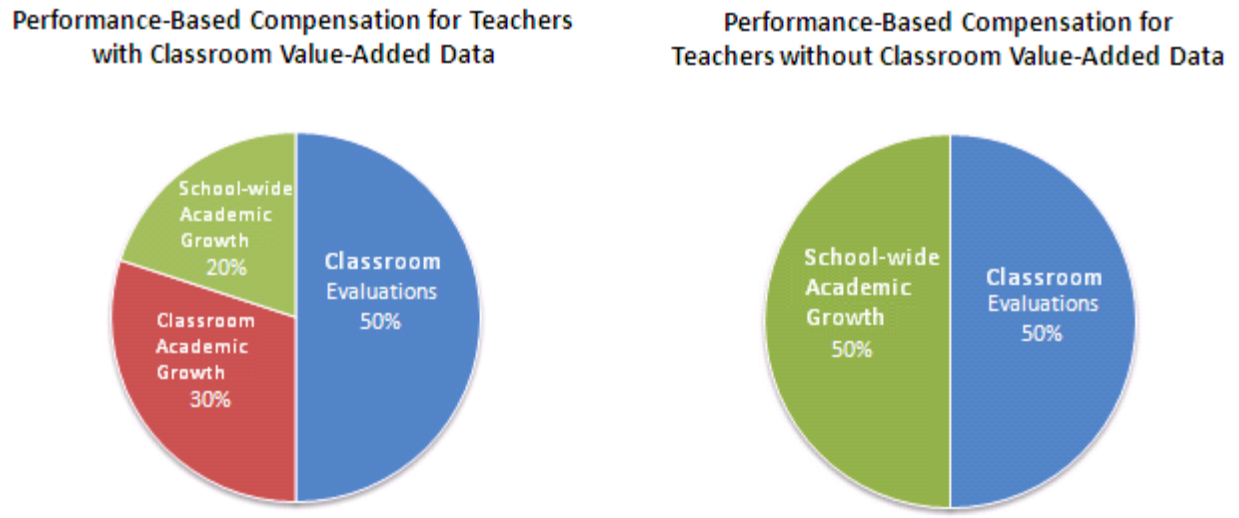
- 50% Skills, Knowledge and Responsibilities
- 30% Classroom achievement gains
- 20% School achievement gains

Teachers in untested subjects and grades would have their bonuses determined based on the following: 50% on their evaluations and 50% on school-wide growth or a voluntary association with a partner grade or subject. For example, a music teacher might decide to associate her student growth numbers with all math scores in the school if she makes the decision to work with

[9] Schacter, J and Y. M. Thum. "Paying for high and low-quality teaching. *Economics of Education Review* 23 (2004): 411-43.
Daley, Glenn and Sarah Shoff. *Tap Research Summary.* Publication. April 2010.

the math teachers to integrate math content into her lessons. Figure 3 illustrates the performance criteria distribution between teachers of tested and untested grades or subjects.

Figure 3



Three key principles guide the development of TAP's compensation for principals:

- The system should balance the payout percentages between student achievement gains and performance.
- The performance portion may contain a score for how the principals carry out their TAP responsibilities.
- The award should be dependent upon the individual's performance as well as the school's performance.

Principal compensation for TAP schools will replicate payout percentages for teachers. Schools will calculate principal compensation with the following "50-30-20" model:

- 50% based on school-wide student growth scores. The administrator receives
    - The entire 50% if the school scores a "5" on student growth

    - Three-fourths of the 50% if the school scores a "4"
    - Half of the 50% if the school scores a "3"
    - None of the 50% if a schools scores a "1" or "2"
- 30% based on a valid and reliable 360-degree survey.
- 20% based on the TAP Leadership Team Rubric.

Indiana TAP schools would put up to $20,000 in TIF funds into a principal/assistant principal performance bonus pool. Individual principal bonuses can be up to $10,000 each and will represent at least 5% of the average salary for Indiana principals ($82,000). Assistant principals will be eligible for bonuses up to $5,000. Principals will observe assistant principals in their work with teachers and as evaluators. These observations will result in assistant principal effectiveness reviews and will help determine any bonus amount.

LEAs will contract with a reputable vendor to use a 360-degree assessment that has been developed and tested to provide a reliable and valid assessment of a principal's effectiveness in key areas of instructional leadership. These areas are aligned to national leadership standards developed by the Interstate School Leaders Licensure Consortium (ISLLC) [AP 1; CE C]. Respondents will rate the principal's performance on seventy-two behaviors using a five-point scale resulting in a detailed quantitative diagnostic profile. The chosen instrument's validity and reliability will have been confirmed through a multi-stage development process including review by district and school leaders, pilot testing in schools and field-testing with empirical study and expert review.

Guided by the school principal, the TAP leadership team is responsible for the *implementation, operation* and *monitoring* of the TAP system at the school level. The leadership team is required

to meet weekly to focus on data, growth plans, cluster operations, and the evaluation system in TAP.

The Leadership Team Meeting Rubric is used to evaluate TAP principals and is designed as a coaching tool to measure the effectiveness of observed leadership team meetings in TAP schools by district or state TAP leaders. This rubric is comprised of four specific components measuring the quality of an effective leadership team meeting.

- *Leadership Team Planning* targets evidence for quantifiable outcomes, focused objectives, clear precise agendas, and appropriate follow-up before subsequent meetings.
- *Leader as Facilitator* examines the leader's ability to effectively facilitate the meeting with specific attention to the action-research, TAP processes.
- *Member Participation / Preparation* addresses the leader's ability to move members of the leadership team to proficiency in one or more of the core TAP areas.
- *Leadership Team / TAP Connection* measures the leader's ability to establish a sense of purpose for the meeting and looks for evidence of work on items like inter-rater reliability, data from the performance management system, monitoring and modeling of coaching skills, teacher growth plans, and the review of new strategies with field tested results, modifications, and critical attributes.

Scoring on the rubric ranges from *Emerging (1)* to *Proficient (3)* to *Exemplary (5).* At least twice per year, administrators are observed, as the administrator leads a TAP leadership team meeting, by a trained evaluator who is certified to use the Leadership Meeting Team Rubric. For Indiana, these observations would come from the TAP Director and/or Regional Master Teachers.

The rubric measuring the TAP leadership team meetings is based on a participatory, action-research approach to addressing the four main areas of TAP implementation – data analysis, cluster implementation, growth plans, and the evaluation process. Because the typical principal is often consumed by managerial tasks having little or no direct bearing on the improvement of instruction, a single administrator cannot fill all of the leadership roles in a school without substantial participation by other educators.[10] The TAP Leadership Team Rubric measures the principal as a facilitator, diffusing leadership and engaging other members as active participants.

The constant analysis and cyclical nature of the TAP Leadership Team Rubric seeks to create knowledge, propose and implement change, and improve practice and performance.[11] Elements of the research behind the rubric include, according to researcher M. Fullan, "(1) developing a plan for improvement, (2) implementing the plan, (3) observing and documenting the effects of the plan, and (4) reflecting on the effects of the plan for further planning and informed action. New knowledge gained results in changes in practice."[12]

Hard-to-Staff Subjects

Indiana's TAP system will provide bonuses to address the challenge of recruiting and retaining teachers in hard-to-staff subjects. IDOE tracks the number of emergency permits issued as a way to determine the hard-to-staff subjects. Teachers of hard-to-staff subjects recruited to

[10] Elmore, Richard. *Building a New Structure for School Leadership*. Publication. Washington, D.C.: Albert Shanker Institute, 2000.
Olson. "Principals Try New Styles as Instructional Leaders." *Education Week* 1 Nov. 2000. and Olson, L. (2000, November 1). Principals try new styles as instructional leaders. *Education Week, 20(9)*.
Halverson, Richard, and John Diamond. "Investigating School Leadership Practice: A Distributed Perspective." *Educational Researcher* 30.2 (2001): 23-28.
[11] Stringer, Ernest. *Action Research: A Handbook for Practitioners*. Thousand Oaks, CA: Sage, 1996.
McTaggart, Robin, and Steven Kemmis. *The Action Research Planner*. Geelong, Victoria, Australia: Deakin UP, 1998.
[12]Fullan, Michael. *Change Forces. The Sequel*. Philadelphia, PA: Falmer, 2000..

participating schools will be informed that if they complete the school year and meet the performance goals, they will each receive a $500 bonus on top of the potential $2,500 performance incentive. The same bonus will be offered to current teachers of hard-to-staff subjects in participating schools. The bonus can easily reach $3,000, well above the 5% threshold needed to be significant and meaningful. Teachers must meet the following two criteria to receive either the recruitment or retention bonuses:

- Sign a contract for another year in the same school and subject area, and
- Earn at least a 3 on the student growth measure.

A teacher may not receive both a recruitment and a retention bonus in the same year. These incentives will be provided at the same time of year as any individual or school-wide performance bonuses. Providing extra bonuses for hard-to-staff subjects satisfies the requirements of Competitive Preference Priority 5.

Professional Growth Opportunities

In addition to performance bonuses, Indiana's TAP system will offer incentives for teachers taking on leadership roles. Master and mentor teachers are held to a higher performance standard than career teachers and are compensated accordingly.

Master and mentor teachers are hired through a competitive, rigorous, performance-based selection process. These teacher leaders come from within the school building or from outside schools or districts. Master and mentor teachers must have expert curricular knowledge, outstanding instructional skills and the ability to work effectively with other adults. They take on additional responsibilities and authority and are required to work additional days as specified

by their contract. Mentor teachers will each make $5,000 above current base salary, and each master teacher will earn $10,000 in additional compensation.

Master teachers' primary role is, working in conjunction with the principal, to analyze student data and create and institute an academic achievement plan for the school. Master teachers lead cluster groups and provide demonstration lessons, coaching and team teaching with career teachers. Unlike similarly titled positions, master teachers in TAP schools are constantly in classrooms teaching even though they do not have specific student assignments. This direct instruction by master teachers is designed to build instructional capacity among the faculty and provide students with high quality lessons. Master teachers collaborate to determine and develop learning resources, partner with the principal in evaluating teachers, and may partner with the principal in communicating with parents.

Mentor teachers are actively involved in enhancing and supporting career teachers' practice. Along with the leadership team, they analyze student data and help create the academic achievement plan. With oversight and support from the master teacher, they assist in leading cluster meetings. Mentor teachers engage in both self- and team-directed professional development activities.

Through cluster meetings that focus on student work, master and mentor teachers identify common issues facing their teams. They research best practice strategies and demonstrate those strategies in cluster meetings and in classrooms. When the master or mentor teachers observe teachers on their teams, they look for demonstration of the strategies addressed in cluster meetings. As the majority of the observations are unannounced, the post-conference between master or mentor teachers and the career teacher is essential for reflection. The cluster team

analyzes student work to see how the teaching strategy has translated into improved student outcomes. This type of observation, support, and feedback provides an iterative feedback loop that aids the principal and faculty in creating a system that can continuously improve.

(II)(2): Stakeholder involvement and support

A major part of TAP's success has been its ability to build and maintain support from a broad group of stakeholders. Included in the appendix of this application are over 100 letters of support from participating principals and teachers, local organizations, and other supporters. Indiana's National Education Association (NEA) affiliate, the Indiana State Teachers Association (ISTA), has also endorsed this application and the TAP system, as evidenced by the included support letter. Each participating school with a union contract has provided a support letter from at least one union representative. It must be noted that the teacher support letter for Clarksville High School was written by the local union Chief Negotiator who did not record that position in her letter. All letters are located in the appendix.

Prior to the adoption of TAP in Indiana's TIF schools, teachers, unions, principals, and district leadership will engage in an in-depth dialogue with TAP state leadership to understand the TAP model, including planning for its implementation and financial sustainability. NIET works with TAP sites to engage union representatives from the beginning. In select TAP sites across the country, union leadership has been instrumental in bringing TAP to fruition. The American Federation of Teachers (AFT) has supported TAP since its inception, and local chapters of both the AFT and the NEA are active participants in TAP.

Indiana TAP leadership will hold presentations at school sites to answer questions and build staff buy-in before the required teacher vote. Indiana schools must have an approval vote of 75% of

the faculty prior to the adoption of TAP, which ensures the active participation and support of teachers and their unions. Voting among teachers will take place during the fall of 2010.

Support and Collegiality

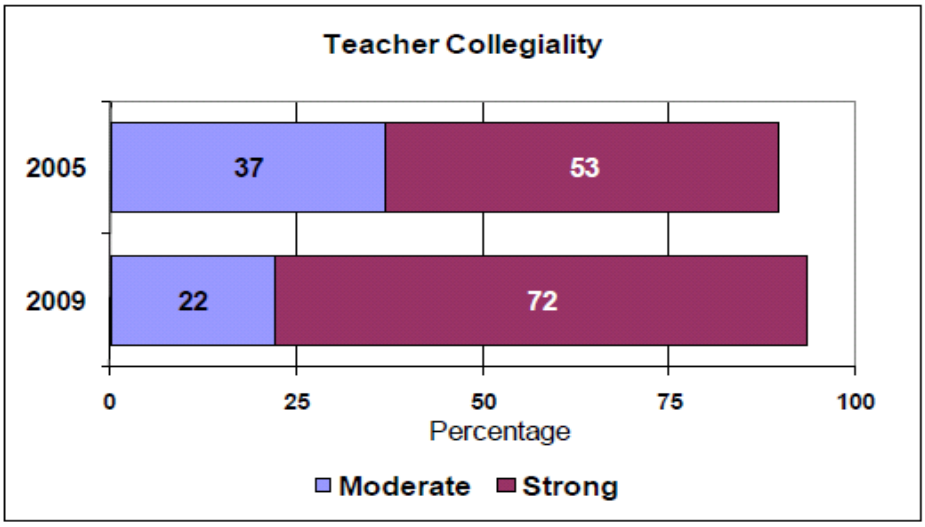
NIET provides extensive training and support to the TAP state-based technical assistance teams, which in turn provide training to school-based TAP leadership teams. The training, support and oversight of the Indiana TAP staff by NIET will create the capacity to effectively implement TAP at scale. There are four modules for TAP's CORE training:

- The first module provides detailed explanation, research and practice of the four elements of the TAP system, introduces participants to TAP cluster group professional growth activities, and introduces the TAP Teacher Performance-Based Compensation and Instructionally Focused Accountability Systems.
- In the second module, TAP school leaders learn how to use the TAP instructional rubrics for evaluation and as professional growth tools to enhance teachers' instructional skills.
- The third module is an in-depth training on the two primary professional development components of TAP – the operations of a TAP leadership team and the cluster group.
- As the fourth module in the TAP leadership team training series, TAP school leaders are prepared to become certified evaluators. Participants will further their skills with the TAP observational rubrics to accurately analyze and rate classroom lessons and classroom environments, and how to plan for instructional conferences that reinforce and refine teacher skills in the area of implementing instruction and establishing productive classroom environments.

The high level of guidance and assistance schools receive from TAP state and district staff builds support among school administrators. This support includes how to use the TAP teacher evaluation rubric, effectively managing professional development cluster groups. Additionally, the state/district teams support schools in the collection and analysis of teacher and student data. TAP state/district support staff also ensures the rigor of implementation through monitoring and evaluation of success. By creating experts within each school with the responsibility and the time to support teachers in analyzing data, TAP prepares teachers and principals to more effectively analyze and use student data to drive instruction.

Critics of performance incentives for teachers often claim they will result in competitiveness and a loss of collegiality among teachers. In fact, research has found strong evidence to the contrary: a high degree of collegiality in TAP schools as reported by teachers. In 2009, 94% of teacher respondents in TAP schools agreed that collegiality was strong at their school:

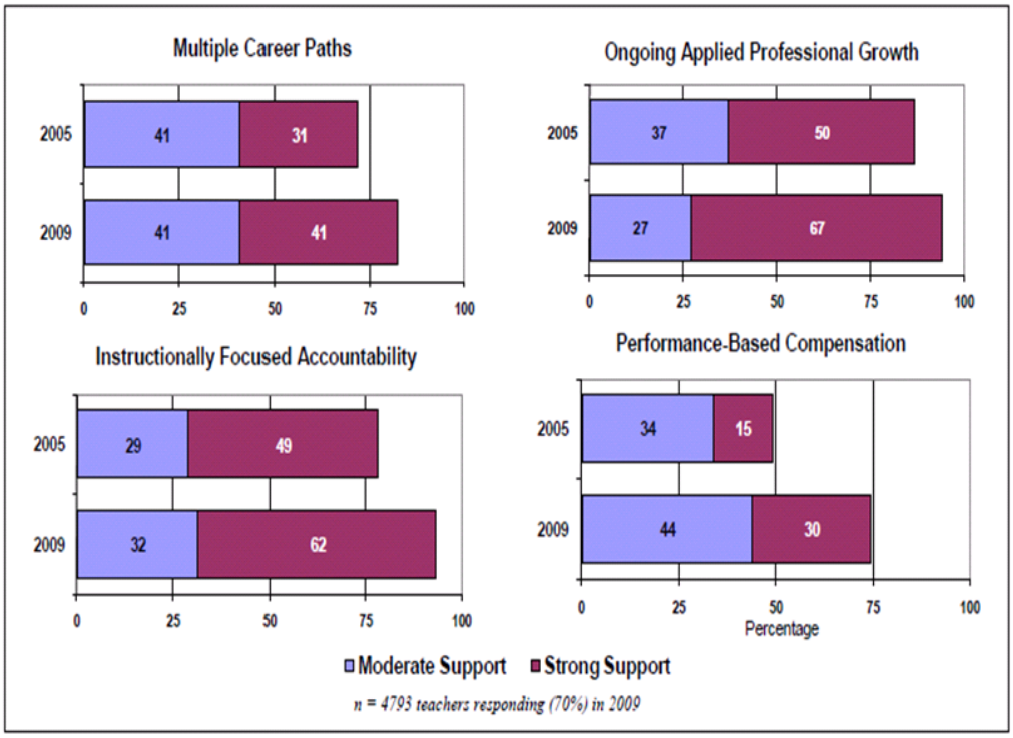
Collegiality in TAP Schools



n = 4793 teachers responding (70%) in 2009

As part of its support, NIET will administer an annual teacher survey to monitor career, mentor and master teachers' attitudes and satisfaction about the implementation of TAP at the specific school site. From past surveys, NIET has found increasing levels of support for the elements of TAP including accountability and performance-based compensation, as shown in the following chart. When combined with professional growth in an applied, collaborative setting, accountability through classroom evaluations and performance-based compensation are compatible with increased collegiality. Whatever concerns teachers may have about the shift in culture to performance-based compensation and greater accountability are usually mitigated by the TAP cluster groups that provide teachers with a shared path toward improvement as well as heightened collegiality.

Teacher Support for the TAP Elements



Communication

A key component of TAP schools is the high level of communication among teachers, principals and state leadership. TAP schools communicate extensively internally and externally about the elements of the TAP system and its components.

Communication begins even before TAP is established in a school. As mentioned earlier, CELL at the University of Indianapolis has been instrumental in garnering interest in the TAP system. In May 2010, CELL held a TAP informational workshop with over 150 stakeholders from a variety of institutions including charter schools, traditional public schools, teachers' union and higher education. Because of this workshop, many schools contacted the IDOE to be part of the TIF grant application.

Prior to implementation, principals and administrators will engage teachers in a dialogue about TAP. NIET will hold an on-site initial development visit. The NIET representative may present an overview of TAP to a variety of stakeholders including school/district leaders, board members or school faculties. At this stage, communication regarding the core elements of the PBCS and TAP's other elements will be a priority. This is particularly important in ensuring that educators in TIF schools fully understand Indiana's student growth model, as required under Competitive Preference Priority 4 and core element (e) of the PBCS. IDOE has already conducted workshops and a series of webinars for administrators and teachers statewide to help them understand the growth model, how it is calculated, why it is being employed and how it will assist teachers in their jobs. These sessions are only the beginning; IDOE is in the process of developing an online, in-depth training and professional development course for all Hoosier educators so they can learn more about the student growth model. It will conclude with a certification test that all educators who participate in the professional development will take. To ensure that it is widely

utilized, IDOE will offer professional development credits at no charge to anyone. State TAP staff will ensure that all educators in TIF schools take part in this training, pass the certification test and receive adequate credits.

All school staff must understand the PBCS elements, as should the broader school community, including school boards, other LEA administrators and parents and other community members. Each school's TAP leadership team will be primarily responsible for this communication.

Follow-up NIET development visits allow new TAP implementers to further refine a specialized plan for the school or district including elements such as staffing, budgeting, professional development, scheduling, and hiring of TAP leadership team members. These development visits may include advanced and/or detailed implementation information and planning such as site implementation workshops, budget planning, question and answer sessions, and essential implementation discussions.

Further, TAP schools will get an individualized visit from IDOE and Indiana TAP personnel to guide the implementation of the state's growth model in conjunction with the staff's effectiveness ratings and performance bonuses.

As part of a statewide strategy, IDOE will utilize The Learning Connection by setting up a TAP community page and discussion forum where IDOE and all TAP teachers, principals, mentor and master teachers can collaborate and share documents and strategies.

The Indiana TAP team will provide a variety of communication during and after the grant period. The goals of the communication plan are as follows:

- Ensure participating schools are receiving timely and accurate information from Indiana TAP staff.
- Raise awareness and increase support of the TAP program among educators and administrators in non-participating schools.
- Garner support from statewide stakeholders and communities.

IDOE's communications staff will provide in-kind services related to TIF and TAP via the extensive network of media contacts, email distribution lists to all Indiana educators, and web communication tools including Facebook, webinars and podcasts. A summary chart and timeline for the communications plan is located in Appendix C, page 20.

(II)(3): Teacher and Principal Evaluation systems

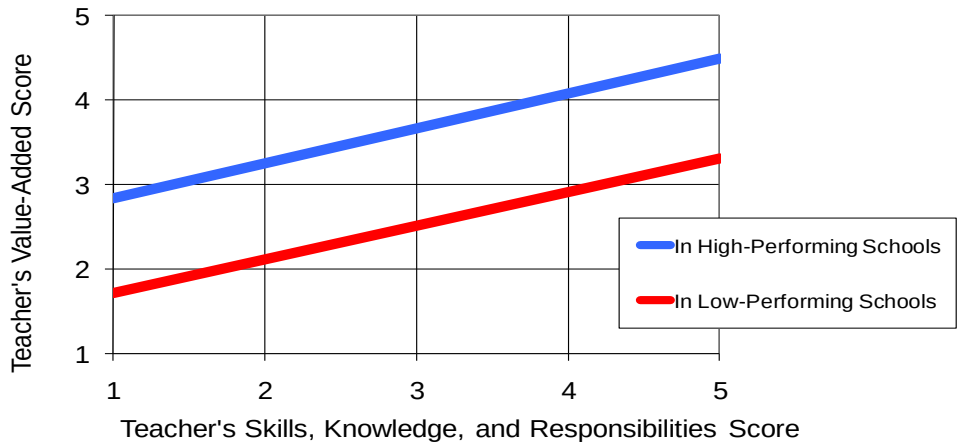
Teacher Evaluations

The TAP evaluation system incorporates both classroom observations and student growth data in an effort to offer a complete picture of teacher effectiveness. Observations allow teachers and principals to focus on specific areas of pedagogy, constantly reinforcing and refining practices with steady attention to and use of student data. Both growth data and observations feed into evaluations that drive professional development, helping teachers increase their effectiveness and build their expertise. As mentioned earlier, teacher effectiveness in Indiana TAP schools will be measured by meeting or exceeding proficiency on TAP's rigorous classroom evaluation standards, or SKR scores. The TAP SKR measures excellence in teaching and is primarily comprised of two major components: classroom evaluation and student growth. Indiana's SKR will also include other measures such as the TAP Teacher Responsibility Survey, a 360-degree tool allowing teachers to peer evaluate on leadership and support activities.

Role of Student Growth in Evaluations

Student growth measures are a key component of the TAP evaluation system. By combining both components into their evaluation system, TAP has found a strong correlation between classroom observation scores and student growth percentages. As the graph below shows, the relationship between classroom observation scores and student achievement growth holds true regardless of the school's overall level of performance. This correlation provides an important validation of the TAP system's teacher evaluation system and its link to improvements in student achievement. It also illustrates the validity and reliability of measures used by TAP to assess student growth and teacher effectiveness.

Teachers with High Classroom Observation Scores Demonstrate High Value-Added Student Achievement Growth



The use of student growth data, measured at both the classroom and school levels, accounts for half of teacher annual bonuses under the TAP performance-based compensation system. This emphasis matches up perfectly with the timely rollout of Indiana's growth model. The state focused on providing a common understanding of how individual students and groups of

students progress from year to year toward state achievement standards. Indiana believes every student is entitled to at least one year of growth per academic year, regardless of where they begin. A more detailed discussion of Indiana's student growth model can be found in Appendix C, page 18.

In Indiana, growth is measured in elementary and middle schools using ISTEP+ data. For high school accountability purposes, Indiana utilizes Algebra I and English 10 end-of-course assessments. Like elsewhere in the country, this poses significant challenges to calculating growth in high schools. IDOE proposes to use its planning year to develop a high school growth model, examining the use of PSAT and AP Potential data and high school diploma types obtained by students in TIF schools. Using PSAT scores, the College Board calculates AP Potential scores, showing which students are likely to succeed in which AP courses, leading to passing AP exam scores. Using this data as the baseline for eventual growth, IDOE will work to develop and test a model that will take into account whether students drop out of high school or receive a basic, Core 40 or Academic Honors diploma to show growth throughout high school. IDOE believes this model holds promise, but since it is a new way of thinking about high school growth, it will require careful research and validation to ensure it is a reliable model. IDOE's plan to develop this high school growth measure is explained in greater depth in section one of Adequacy of Support for the Proposed Project.

TAP Observations

Classroom observations are the second major component of the TAP evaluation system. Teachers in TAP schools receive four or more announced and unannounced observations a year by highly trained and annually certified evaluators. TAP makes a major investment in training

and supporting its evaluators, recognizing the significant impact observations and feedback can have on classroom instruction and thus, student performance. The TAP System CORE training for evaluators is divided into five parts:

1. An introductory overview of the TAP System;
2. The first of two trainings on the TAP evaluation process;
3. A concentration on the cluster groups;
4. A focus on the TAP Leadership team; and
5. The second portion of the TAP evaluation process.

Upon completion, participants must pass a test to become certified TAP evaluators, and they are required to renew this certification annually. The sequence of TAP CORE trainings is organized to provide participants with an introductory view of TAP followed by a manageable amount of training on the evaluation process, then a more complex and in depth examination of cluster groups and the leadership team, and finally more about the evaluation process. Further details on each of the five TAP System CORE trainings is provided in Appendix C, page 22.

In addition to these introductory TAP trainings, annual TAP Summer Institutes provide opportunities for master teachers, mentor teachers, and administrators to receive more in-depth training.

Teachers are evaluated annually (at least four times) in four areas: Instruction, The Learning Environment, Designing and Planning Instruction, and Responsibilities. The first three of these areas are evaluated using a research-based rubric. The rubric is divided in to three rating categories, allowing for meaningful differentiation in effectiveness. The table below illustrates one of the instructional indicators on the rubric.

Example: Academic Feedback Indicator from the Instructional Portion of the TAP Rubric

	Exemplary (5)	Proficient (3)	Unsatisfactory (1)
Academic Feedback	• Oral and written feedback is consistently academically focused, frequent and high-quality. • Feedback is frequently given during guided practice and homework review. • The teacher circulates to prompt student thinking, assess each student's progress and provide individual feedback. • Feedback from students is regularly used to monitor and adjust instruction. • Teacher engages students in giving specific and high-quality feedback to one another.	• Oral and written feedback is mostly academically focused, frequent, and mostly high-quality. • Feedback is sometimes given during guided practice and homework review. • The teacher circulates during instructional activities to support engagement and monitor student work. • Feedback from students is sometimes used to monitor and adjust instruction.	• The quality and timeliness of feedback is inconsistent. • Feedback is rarely given during guided practice and homework review. • The teacher circulates during instructional activities, but monitors mostly behavior. • Feedback from students is rarely used to monitor or adjust instruction.

The final area, Responsibilities, is evaluated through the Teacher Responsibilities Survey measuring contributions to the school. Each survey has multiple sections with three ratings categories. The master and mentor teacher responsibilities surveys are divided into the same seven sections:

- Staff Development
- Instructional Supervision
- Mentoring
- Community Involvement
- School Responsibilities
- Growing and Developing Professionally
- Reflecting on Teaching

The career teacher survey includes two sections: Growing and Developing Professionally and Reflecting on Teaching. Administrators, master teachers and mentor teachers all complete the survey for career teachers. Mentor and master teachers complete surveys for each other. Career teachers and administrators complete surveys for both the master and mentor teachers, though career teachers do not utilize all sections.

To ensure the fairness and consistency of evaluations, all evaluation data is entered into the TAP Comprehensive Online Data Entry (CODE) system, which is discussed in more detail in Section (II)(4): Data Management System. The CODE system allows Indiana TAP leadership teams to monitor inter-rater reliability of evaluators and scoring inflation or deflation; it will also flag cases where there appear to be discrepancies in teachers' assigned evaluation scores.

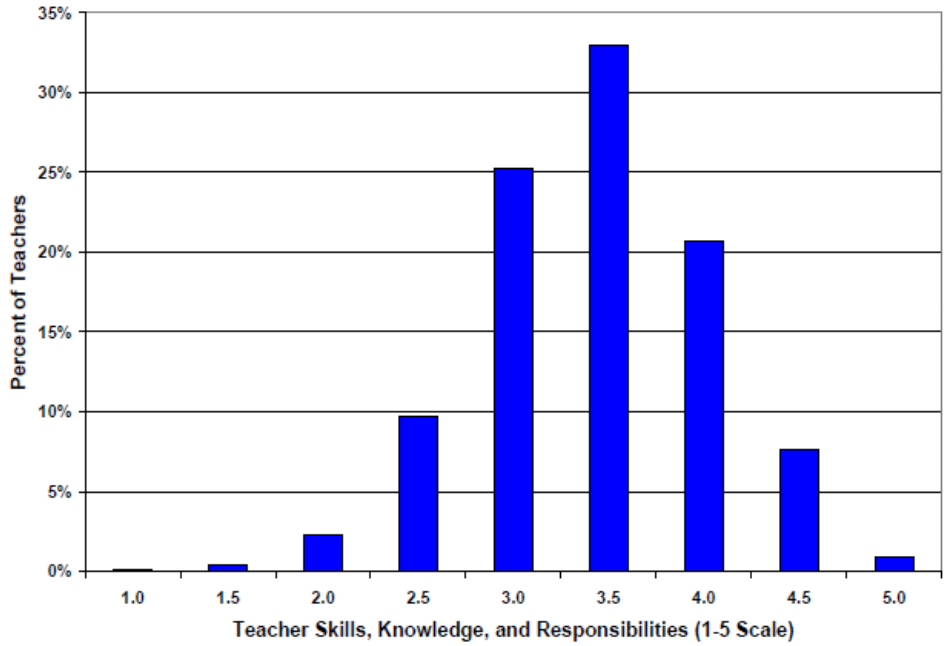
TAP Results

TAP teacher evaluations produce more than a score; after each classroom observation, teachers will have a "post-conference" session with the evaluator to discuss the evaluator's findings. This offers teachers the opportunity to plan how to address any weaknesses and build on strengths identified during the evaluation. In addition, evaluators must present evidence supporting the score assigned to the teacher, further increasing the credibility, relevancy and transparency of the evaluation system.

The TAP system of teacher evaluation differentiates effective from ineffective teaching**,** in contrast to many existing evaluation systems that rate virtually all teachers as satisfactory. The TAP rubric sets high expectations and delineates a concrete picture of good instruction. Since it is designed to identify a range of proficiency on various indicators, it is not expected that a teacher should receive a score of 5, indicating truly exemplary performance, on every indicator during an observation. As a result, there is a wide distribution of individual teacher performance

ratings in TAP schools, providing a more accurate representation of teachers' instruction. For example, during the 2007–2008 school year, *averaged* teacher ratings on the TAP Rubric ranged from 1 to 4.95, with a median score of 3.57, as shown in the following chart.

Differentiated Teacher Evaluations in TAP[13]



Distribution of teacher evaluations in TAP using 1-5 scale with half-point increments.

Additionally, as mentioned earlier, there is a clear connection between observation results and student growth scores. This relationship gives validity to the rubric, the evaluator and the process.

Leadership Evaluations

The Leadership Team Meeting Rubric is designed not only to be a coaching tool but also to serve as an instrument to measure the effectiveness of observed Leadership Team Meetings in TAP schools by district/state TAP leaders. The rubric is used to evaluate TAP principals' practices. The Leadership Team Rubric is comprised of four specific components measuring the quality of

[13] Data from 15 states covering 2005-2009

an effective Leadership Team Meeting. The first component is ***Leadership Team Planning*** targeting evidence for quantifiable outcomes, focused objectives, a clear precise agenda, and appropriate follow up before the next meeting. The second component is ***Leader as Facilitator*** which examines the leader's ability to effectively facilitate the meeting with specific attention to the action-research, TAP processes. A third component, ***Member Participation / Preparation*** addresses the leader's ability to move members of the leadership team to proficiency in one or more of the core TAP areas. The last component, ***Leadership Team / TAP Connection*** measures the leader's ability to establish a sense of purpose for the meeting and looks for evidence of work on such things as inter-rater reliability, data from the performance management system, monitoring and modeling of coaching skills, teacher growth plans, and the review of new strategies with field tested results, modifications, and critical attributes. Scoring on the rubric ranges from *Emerging (1)* to *Proficient (3)* to *Exemplary (5)*.

(II)(4): **Data Management System**

TAP provides state, district and school leaders with data and technology tools for real-time monitoring of system implementation. As mentioned previously, Indiana's TAP schools will manage their teacher observations and performance-based compensation calculations using CODE. CODE is a vendor offering a truly unique product that fits the TAP System seamlessly. For that reason, IDOE will contract with CODE through a sole-source contract, following state procurement rules. CODE creates reports summarizing teacher performance broken out at different levels: individual teachers, classroom, grade level, whole school, etc. This rich information will help to pinpoint instructional needs and strengths, as well as inform targeted professional development.

CODE uniquely offers additional checks and balances to ensure inter-rater reliability. For example, a school can track observations by the average score given, or it can look longitudinally at teachers observations throughout the year. As seen earlier, it allows schools to compare observation scores with student growth by teacher. It also tracks the number of observations completed to ensure there is no rush to observe at the end of the school year. Notably, this system also facilitates monitoring of evaluations to ensure "grade inflation" or "grade deflation" is not occurring. Any significant discrepancies between evaluators in scoring teacher evaluations are flagged and discussed. It is important to note that this kind of information and system is currently nonexistent in schools across the state. Finally, the CODE data system is also used to determine award payouts and is merged with the school's payroll.

In Indiana, IDOE will calculate student growth data for TAP schools, as for all other schools in the state. Once ISTEP+ testing is complete and the IDOE has processed it, IDOE will provide teacher- and school-level student growth information to the school so it can be merged with observation data in the school's CODE. In Indiana, since achievement and growth data moves directly from schools (through bar-coded exams that transmit student and teacher identifiers), to secure scoring facilities, and straight to IDOE, the risk of incorrect data processing is infinitesimal. The TIF Director will work with all TAP schools to ensure correct calculation of bonuses in CODE.

(II)(5): Professional Development

An essential element of the Indiana TAP system is ongoing, job-embedded professional development designed to support teachers in increasing their skills and effectiveness. All teachers receive near constant feedback on their instructional practice. Because TAP builds a career ladder into its program, teachers receive daily feedback from peers whose job it is to

support and develop their fellow colleagues. Individualized, follow-up sessions are conducted any time a teacher is struggling or is determined ineffective.

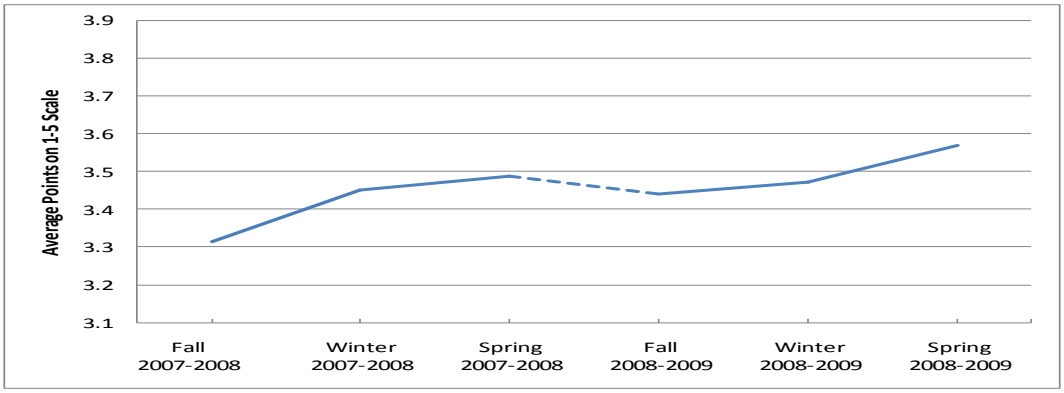
Professional development in TAP schools is provided by school-based, expert master and mentor teachers. Every week, master and mentor teachers lead career teachers in "cluster groups," small professional development sessions embedded in the school schedule. These sessions are solely focused on instructional improvement. These cluster groups are divided by grade level, content area or a mixture of the two depending on the need of the school. Cluster groups meet for 60 to 90 minutes each week and if necessary, TAP provides guidelines to help schools restructure their schedules to allow for cluster time. Master and mentor teachers will use CODE data to analyze areas for improvement across the faculty and address these areas of need in their weekly cluster meetings. These weekly meetings allow teachers to address instructional issues in real time by analyzing data and discussing strategies with other teachers. Often, master teachers present instructional strategies they have field-tested and refined with students in the school. This practice is significant, because professional development often involves outside consultants bringing in strategies that work with different kinds of students. In this case, TAP has created internal laboratories for instructional practice and allows the very strongest teachers to do the field-testing and mentoring.

Professional development does not end with the cluster meeting. Teachers receive near constant individualized support in their classrooms from mentor and master teachers. They model lessons, work alongside teachers, observe and give feedback, or help teachers plan and reflect outside the classroom. TAP has built in the capacity necessary, the capacity that is missing from most public schools to provide real instructional leadership at the building level.

Indiana is encouraged by TAP's proven methods to improve teacher effectiveness. State and district analysis of TAP teacher evaluation data shows that teachers improve their skills throughout the year due to TAP's effective support system. As previously discussed, the TAP Rubric breaks down the standards of effective teaching by operationalizing each standard according to a five-point scale and clearly identifies what effective instruction should look like on each of nineteen indicators. By identifying specific areas of improvement with detailed evidence from a teacher's instruction and concrete examples to address these areas, as well as providing the support system to make the changes, the TAP Rubric leads to genuine effort on the part of teachers to improve and, as a result, leads to higher quality instruction.

Growth in teacher skills over time increases the level of effectiveness of the entire school and leads to increased student achievement. The chart below shows the average improvement in instructional skill scores over a two-year period for teachers using TAP in Texas and Louisiana. In the data shown in the following chart, despite a dip over the summer, teachers demonstrated, on average, a path of improvement that continued over both years.[14]

Improvement in Average Observed TAP Teacher Skills, 2007-08 and 2008-09[15]



[14] The growth in observed teacher instruction is not a linear relationship with time. Some teachers progress at different rates, so we would not expect to see a straight line of growth.

[15] Average of Instructional Domain Indicators for the 2007-2009 cohort {N = 196 teachers}

In addition to building the capacity of teachers within the classroom, TAP increases the capacity of principals to effectively lead the schools through the development of the TAP leadership team. The TAP leadership team is structured so the principal shares responsibility for instructional leadership with master and mentor teachers. They share responsibilities for developing and monitoring the school's goals and academic plan; planning and implementing weekly "cluster group" meetings; analyzing student data; teacher evaluation and conferences; and monitoring individual teachers' professional growth. Indiana's TAP schools will be reviewed every year by NIET. The annual school review process involves NIET evaluators observing a school for a day to see how TAP is being implemented. One of the key areas of observation is professional development. The reviews conclude with a set of recommendations regarding the areas in which schools are particularly strong or need additional assistance. Indiana TAP staff will regularly conduct site visits to assess the effectiveness of the professional development. TAP staff will be highly-trained and well-equipped to tackle issues on-site as they arise. In addition, NIET monitors trends in teacher effectiveness and student achievement to help schools identify broader areas of improvement.

Conclusion

Indiana will utilize the TAP system to increase the recruitment of talented people to the teaching profession—and keep them there—by making it more attractive and rewarding to be a teacher. TAP provides teachers with the following:

- Differentiated compensation based on teacher and principal effectiveness;
- Powerful opportunities for professional growth;
- The ability to collaborate with peers during the school day;

- Fair and rigorous classroom evaluations to identify and improve teaching skills;
- School-based professional development led by expert master and mentor teachers to analyze student needs and identify strategies for student learning; and
- The opportunity to take on a new role as master or mentor teacher in order to earn higher salaries and advance professionally, just as in other careers, without leaving the classroom.

III. Adequacy of Support for the Proposed Project

(III)(1): Management Plan:

Planning Year and Core Elements

IDOE's TIF grant will utilize the option of a planning year, followed by four years of TAP implementation in schools. While there is great urgency to begin TAP in schools as soon as possible, starting this fall would be problematic given the training and preparation necessary to implement TAP with fidelity.

Due to the timing of the grant and the time when the school year typically begins in Indiana, PBCS core elements (a), (b), (c) and (e) will be articulated during the planning year. The planning year will allow for the creation of a fair, robust system for selecting members of the school leadership team. Additionally, the planning year affords schools the time to implement necessary procedures/processes relevant to TAP implementation (e.g. data management, communications, fiscal management, etc.). This must be done to fully satisfy core element (a).

Further details are located in IDOE's communication plan in element 2 of the Project Design section.

Core element (b) requires the involvement and support of teachers, principals as well as the involvement and support of unions in participating LEAs. Included in Appendix B are letters of commitment from each participating principal as well as letters of support from local union representatives. Additionally, Indiana received a letter of support from ISTA, the state's NEA affiliate. ISTA also sent a letter to local presidents encouraging them to support the TIF grant and the TAP System. NIET requires a vote by faculty to officially adopt TAP. To help ensure broad support, state TAP staff will plan and conduct site visits to current TAP schools for Indiana's TIF schools, so they can see the system in action, have opportunities to ask questions, and speak with peers. IDOE will require schools to vote to adopt TAP in the fall of 2010.

As explained in the Project Design section, IDOE will utilize the planning year to fully develop and validate a growth model for high schools participating in TIF by extending the state's current contract with the developer of Indiana's growth model. This work will solidify growth measures for high school grades, ensuring that core element (c) is met. Work for this is already under way, as Indiana recognizes the need for high school accountability measurements, but the state will certainly take the next school year to fully develop these metrics.

Core element (e), as explained in the communications plan portion of the Project Design, is being satisfied by current and future IDOE trainings and formal professional development courses. These trainings are already deep in the planning phases and will be executed within the first several months of the grant period. Core element (d) is inherent in TAP, and is explained in the Project Design section.

Management Plan

IDOE will provide grant support in the form of a state TIF director, to be part of IDOE's Office of Educator Licensing and Development (OELD). Jeff Barber, currently administering IDOE's federal Safe and Drug Free Schools grants, is transferring within IDOE to become a Title II specialist. IDOE will also utilize a Principal Investigator to help with TIF grant management. Patrick Mapes will serve as the TIF Principal Investigator, as he currently serves as DOE's Director of OELD. Jeff Barber will report to Mr. Mapes in his role as Title II Specialist and TIF Director. Other IDOE staff will also be available to assist with the administration of TIF and support of TAP. IDOE partners in this grant with The Center for Excellence in Leadership of Learning (CELL) to provide management of TAP, particularly the positions of TAP State Director, a TAP Program Specialist and administrative assistant reporting to the TAP Director, as well as five Regional Coordinating Master Teachers (RCMTs). CELL is heavily involved in the educational landscape in Indiana as well as in public schools across the state. CELL is well respected and is a perfect fit to help implement performance based incentive programs.

School corporation superintendents participating in the TIF grant have each signed an MOU, attached in Appendix B. The MOU outlines support that NIET will provide as well as the corporation's responsibilities under the grant. In addition, each participating school principal has signed a letter of commitment, also included in Appendix B. Moreover, each school has included letters of support from teachers; notably, many of these letters were written by union representatives and members.

IDOE will serve as the fiscal agent for Indiana's TIF grant. The TIF Director will manage the allocation of funds to grantee schools. If IDOE's TIF application is funded, the TIF Director will

call together the CFO or business official from each participating corporation or charter school to review grant fiscal concerns, including draw down procedures. Each corporation or charter school will be required to draw down funds on a monthly basis, or at most, a quarterly basis. Consistent with IDOE fiscal practices, penalties will be assessed if LEAs miss deadlines on draw down procedures.

If notified that IDOE's TIF application will be funded, IDOE will work with CELL to convene a TAP Network, consisting of lead administrators from each TAP corporation, principals from each TAP school, IDOE's TIF Director and Principal Investigator, IDOE policy staff, RCMTs, relevant NIET staff, and other relevant CELL staff. At the same time, IDOE may contract with a partner to provide service as an external evaluator. In that case, the evaluator would also be included in the TAP network as needed.

The TAP Network will meet quarterly as a whole group, and smaller groups will meet via phone as needed between formal meetings. Quarterly meetings will consist of assistance to ensure schools are progressing through the planning and implementation process as smoothly as possible, and will provide a consistent group of colleagues with whom to share successes, challenges and solutions. Potential topics can include any element of TAP in addition to assessment, growth model, accountability, program sustainability, and recruitment and retention strategies. Each TIF LEA will be encouraged to have its own weekly or monthly TAP meetings to work through smaller, corporation-specific issues.

IDOE believes the management plan presented above will ensure that grant objectives are achieved on time and within budget. Having CELL as a partner, paid on a reimbursement basis, will ensure that work with TAP schools occurs in a timely and responsive manner. As stated

above, IDOE will hold ultimate responsibility for grant implementation, through fiscal control, as well as contractual relationships with Indiana's TAP partner and evaluation partner. IDOE will require quarterly written reports on grant progress from the TAP partner, with more frequent phone updates or in-person meetings as needed. The chart below outlines the grant activities and timelines. Regular review of the timelines in cooperation between IDOE and the TAP partner will ensure that any alterations are made as soon as necessary.

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TIF Implementation Timeline													
Activity/Related Objective	**Person(s) Responsible**	**YEAR 1**				**YEAR 2**				**YEARS 3-5**			
		Quarter				**Quarter**				**Quarter**			
		1	**2**	**3**	**4**	**1**	**2**	**3**	**4**	**1**	**2**	**3**	**4**
Hire the TAP Director and provide them with essential training	IDOE, NIET	X											
TIF implementation presentations and site visits (1,2)	TIF Director (TIF D) and TAP Director (TAP D)	X	X										
TAP Network Organizational Meeting (1,2,3)	TIF D, TAP D, Team	X											
Training with the Instructional Rubric (2)	TAP D, Staff	X	X	X									
Interview/hire Master and Mentor Teachers (2,3)	Districts, schools	X	X				X				X		
TAP Network Meeting – Program Implementation (1,2)	TIF D, TAP D, Team			X				X				X	
Recruit successful and promising new teachers (3)	Districts, TAP D	X	X			X	X			X	X		
Annual TIF Report to US Department of Education (1,2,3,4,5,6)	TIF D				X				X				X
TAP Network Meeting- Master/Mentor Teacher Performance (2)	TIF D, TAP D		X				X				X		
Advertising via the media for recruitment (3,4)	Districts, PD		X				X				X		
ISTEP+ (March and May) (1,2)	Schools		X	X			X	X			X	X	
Student achievement goal setting (1,2)	Schools			X				X				X	
Report to NIET on school's recruiting and retention (1,3)	TAP D				X				X				X
TAP Network Meeting – Recruitment/Retention results and plan (3,5)	TIF D, TAP D				X				X				X
TAP Network Meeting – State Report card data, AYP and value-added data (1,5,6)	TIF D, TAP D					X				X			
Job Performance meetings with Master Teachers (1,2)	TAP D					X				X			
Summer training for Master and Mentor Teachers (1,2)	TAP D and Staff			X				X				X	
Report to NIET on recruiting and retention compared to other TAP schools and control groups (3,5)	TIF D, TAP D					X				X			
Report to NIET on student achievement progress (2)	TAP D					X				X			
AYP data and value-added calculations (1,2,6)	PD				X				X			X	X
Teacher bonus checks awarded (1,4)	LEAs, schools				X				X				X

(III)(2) Key Personnel: IDOE and CELL will work with NIET to hire a TAP Director and staff, ensuring that NIET's expertise in implementing TAP in numerous states and districts helps Indiana choose a candidate with the appropriate knowledge and skill set.

Indiana's TIF Director will be Jeff Barber. If Indiana is awarded a TIF grant, Mr. Barber will spend 50% of his time on the TIF grant and 50% on Title II. Since Title II has such close alignment to TAP, it will be a seamless fit. In fact, IDOE plans to utilize Title II state activities funds to support the TIF grant. More information regarding Title II support is presented in Item 4 of this section. Mr. Barber is well-versed in federal grants management and is an exceptionally competent employee. He has managed the $3.9 million Title IV, Part A-Safe and Drug-Free Schools program for ten years, including the application review/approval and funding allocation processes. His experience with that grant includes providing statewide training and technical assistance for district Safe and Drug-Free Schools coordinators. He developed and implemented state-level Safe and Drug-Free Schools initiatives. In addition to fiscal management of the grant, Mr. Barber will coordinate the creation of an Indiana TIF/TAP website to provide information about TIF and TAP to Hoosier educators, parents and the public. The website can also serve as a central resource for support documents, videos, podcasts, and other materials for schools implementing TAP as well as a recruiting resource for TAP schools. Other examples of responsibilities of the TIF Director include coordinating work with CELL and helping to ensure all parties work within the grant timeline, in addition to overall fiscal management of the TIF grant.

Patrick Mapes will serve as the Principal Investigator for the TIF grant. He previously worked in school administration as a school superintendent and assistant superintendent for six years and was a principal, assistant principal and teacher for fourteen years. Mr. Mapes will assist in

management of the grant, ensuring IDOE senior staff are made aware of any issues so they can be resolved quickly and efficiently. Mr. Mapes will allocate up to 10% of his time as needed to TIF management. In addition, Marcie Brown, who serves as Chief Policy Advisor to Superintendent Bennett and as a member of his senior staff, will also be available to assist with grant management, as well as to help manage IDOE's relationship with the state's TAP partner. Ms. Brown is familiar with TAP and also works closely with other school reform models that IDOE supports. She previously served as Governor Daniels' Education Policy Advisor and has also worked in the U.S. Department of Education's Office of Innovation and Improvement, where she originally became familiar with TAP. Ms. Brown will allocate up to 10% of her time to TIF and TAP as needed. Amy Miller works as a policy analyst at IDOE and can also be available to work with Mr. Barber, Mr. Mapes or Ms. Brown any time extra help is needed with TIF or TAP at IDOE. Resumes for all relevant IDOE staff are attached in Appendix C, page 24.

Although the TIF grant will end in 2015, IDOE will build broad and enduring support for TAP across the state by partnering with an organization that has expertise in growing and managing school reform models. The goal is to ensure TAP is baked into the culture of participating LEAs and schools – so that TAP continues regardless of shifts in political climate or attitude.

Indiana has partnered with CELL to employ the TAP Director, TAP program specialist, administrative assistant and five RCMTs. CELL's past work makes it uniquely qualified as a partner with which to implement TAP. Established in 2001, CELL is highly regarded as the preeminent Indiana non-profit organization engaged in innovative programs and transformational models for K-12 education. Specifically, Indiana has utilized CELL's expertise and management support with past reform model implementation with great success. CELL has demonstrated the ability to sustain and grow reforms even beyond the state's ability to fund them.

In particular, Indiana applied for and won an NGA Honor States grant in 2005 with the goal of spreading high school reform models including New Tech High School and Early College High School. Governor Daniels' office served as the fiscal agent for the grant but outsourced to CELL the day-to-day management of the model development, including coordinating site visits, stakeholder meetings, model network gatherings, implementation troubleshooting, and development of interest in the models from schools across the state. CELL has continued playing this role with great effectiveness despite the fact that the NGA grant expired in 2007. The CELL partnership has resulted in the fastest growing network of schools deploying the New Tech High school model in the nation.

In addition, CELL and IDOE have been engaged for some time in the development of a performance-based teacher and principal compensation system in Indiana. CELL staff attended the annual TAP System conference in Washington, D. C. in 2010 and participated in an NGA Center for Best Practices "Policy Academy on Creating New Models of Teacher Compensation that Enhance Teacher Effectiveness" in New Orleans, Louisiana in May 2010. In addition, CELL hosted a TAP workshop for Indiana educators in May 2010. That workshop attracted over 150 participants and featured Jason Culbertson, Senior Vice President for NIET. Attendance at that workshop has resulted in the great majority of districts and schools who have joined in this TIF grant. CELL also hosts an annual conference regularly attended by over 700 educators and civic leaders from around the state. CELL's 2010 Indiana's Future conference will prominently feature TAP and other sessions related to PBCSs.

CELL's Executive Director, David Dresslar, led or facilitated the above mentioned activities. Mr. Dresslar has been involved in every level of education for over forty years. He started as a classroom teacher and has also worked as an assistant superintendent, superintendent and adjunct

professor in Indianapolis. Mr. Dresslar will continue to manage CELL's initiatives and will work with IDOE to oversee TAP staff employed by CELL.

Jennifer Oliver, CELL Fellow for Strategic Initiatives, has also been intimately involved in CELL's TAP-related work and will fill the role of TAP Director. Her knowledge of TAP and work with Indiana schools help ensure CELL's commitment to TAP in Indiana. Ms. Oliver has extensive experience in education in Indiana. She was a classroom teacher for a decade, working in a variety of schools, teaching a variety of courses, and specializing in high school English including AP and IB courses. Ms. Oliver is also an expert in assessment, having worked at Indiana University's Center for Innovation in Assessment as well as the IDOE's assessment division. Since 2008, she has worked at CELL, leading numerous initiatives including the statewide High School to College Transition Project. She holds a Master's degree in Educational Leadership and is well-respected by the education community throughout Indiana. Mr. Dresslar and Ms. Oliver's resumes are also attached in Appendix C.

Examples of the responsibilities of the TAP Director include the following:

- Convening the TAP Network and working with schools through all implementation challenges
- Supervising Regional Coordinating Master Teachers, program specialist and administrative assistant
- Providing on-site technical assistance
- Leading TAP site visits during the planning year
- Assisting in generating a list of teachers who qualify for incentive bonuses

- Assisting TAP schools to develop financial sustainability plans through the use of redirected federal funds and other financial resources

The TAP Director will be assisted by a TAP program specialist and an administrative assistant. Responsibilities of these TAP staff include the following:

- Providing initial and continuing training for school-based master and mentor teachers
- Providing Cognitive Coaching training for Regional Coordinating Master Teachers
- Conducting classroom observations using the Cognitive Coaching
- Attending employment fairs and content conferences to recruit highly effective teachers to TIF schools
- Working with TAP schools to help them attract highly qualified and effective teachers
- Providing administrative, clerical and fiscal support
- Preparing minutes from TAP network meetings

Regional Coordinating Master Teachers (RCMTs): Five RCMTs will be hired as part of this grant. Each RCMT will devote 100% of his or her time to the TIF grant work and will be responsible for working with approximately ten schools. The RCMTs are responsible for day-to-day implementation of TAP in each of their schools, which will be in as close geographical proximity to each other as possible. RCMTs will attend TAP trainings and will seek to build the capability and capacity of all TAP master and mentor teachers in each of their schools. Each RCMT will be paid a comparable salary to a school principal. At least four years of teaching experience is preferred for the RCMTs, as is a Master's degree. Leadership experience is strongly preferred.

The TAP Director will be responsible for recruiting potential candidates for the RCMT positions. She will lead interviews along with other state TAP and TIF staff. Other duties of RCMTs include the following:

- Evaluating and supporting career, mentor and master teachers
- Assisting in school-level data analysis, goal setting and cluster groups
- Assisting the TAP Director in providing training sessions
- Participating in the TAP Network meetings and any other meetings or phone calls necessary with the TIF and TAP Directors.
- Assisting Principals in recruiting, interviewing, choosing and training master and mentor teachers.

Upon receiving notification of receiving a TIF grant, IDOE will seek to contract with an external evaluation partner. This evaluator will conduct an independent evaluation of TAP in Indiana schools, as outlined in the Quality of Local Evaluation portion of this application.

(III)(3) Support with Other Funds: IDOE will support the TIF grant by reallocating department funds, time, benefits and other in-kind resources. IDOE's TIF Director's salary will be provided in-kind through Title II funds. Mr. Mapes, Ms. Brown and Ms. Miller's salaries are paid through a variety of state sources, and Ms. Brown's salary is also paid partially through the 21st Century Community Learning Centers federal grant fund.

As stated in the first section of this application, Indiana received an NGA grant to support the state's development of a pay-for contribution model. IDOE will also work with NGA staff to amend the budget to use the balance of those grant funds (approximately $18,000) to support the work of implementing TAP. These funds can potentially serve as a kick-start to fund initial

meetings of the TAP Network as it prepares for the work on the grant. It can also potentially fund travel for site visits so TIF schools can visit TAP schools and see the model implemented.

IDOE also plans to utilize its Title II, Part A state activities funds to sustain TAP as the TIF grant moves toward completion. In accordance with Absolute Priority 2, IDOE will use Title II Part A funds to provide an increasing share of support for TIF schools' performance-based compensation throughout the grant period. IDOE will provide the following, increasing amounts of funding each year of the grant:

Grant Year	Amount of Title II, Part A Funds	% of Total Performance-Based Compensation Budgeted
Planning Year	0	N/A
Year 2	$258,000	5%
Year 3	$774,000	15%
Year 4	$1,250,000	25%
Year 5	$2,055,000	40%

CELL has also provided in-kind support in the pursuit of TAP implementation in Indiana. CELL sponsored and paid for the above-mentioned TAP workshop for over 150 educators, totaling $7,000. CELL will also support TAP activities at its annual Indiana's Future conferences as an in-kind contribution. This support will be ongoing throughout the grant period and beyond.

(III)(4) Project Costs: The requested grant amount and project costs are sufficient to attain project goals and reasonable in relation to the objectives and design of the grant.

Budget projections for this grant come from NIET recommendations. IDOE has relied on these figures because of NIET's extensive experience in implementing and refining TAP.

Staffing

Personnel costs associated with this grant are laid out to ensure the schools included in IDOE's application will receive every bit of support needed in order to implement TAP with fidelity. The TIF Director's salary will be $45,000 and, with fringe benefits, will be an in-kind contribution covered by Title II funds. The Principal Investigator, who oversees the TIF Director, will also contribute up to 10% of his time to the grant. This represents an in-kind contribution of up to $9,600. These positions are primarily responsible for fiscal grant management. Other IDOE staff who assist in any way with TIF grant management will also make an in-kind contribution of their time. The TAP Director, housed at IDOE's partner institution CELL, will be paid $85,000. That amount will be paid through the TIF grant. The TAP program specialist and administrative assistant, with salaries of $55,000 and $26,000, respectively, will be paid from the TIF grant. RCMTs will each be paid $75,000 from the TIF grant. All of these positions will have fringe benefits calculated at 30% of salary.

There will be 44 master teachers supporting Indiana's TAP schools. Salaries will be based on the salary schedule of the LEA in which each works. For their extra work and responsibilities, they will each annually receive a $10,000 salary addendum through the TIF grant. The 176 mentor teachers hired by participating schools will each receive a $5,000 salary augmentation each year.

Travel

Travel costs are an essential expense for this grant. The TAP Director must travel throughout the state to visit each RCMT's region an average of twice a month. These visits will be primarily for

the purpose of providing technical assistance to the RCMTs and schools. It is possible there will be occasional overnight stays included. Travel is important to the RCMTs' jobs. They will be on the road within their regions on a regular, if not daily, basis, visiting each of their schools and working on day-to-day TAP implementation issues.

All participating corporations and charter schools will also be invited on organized trips so they may visit veteran TAP schools. These trips will necessarily be out-of-state since no TAP schools currently exist within Indiana. There will also be travel involved for TAP Network meetings, as well as TAP training workshops and the annual NIET TAP Conference. All of this travel serves an essential purpose for TAP staff and TAP schools, particularly in the planning year and first year of implementation. Repeated technical assistance and training will ensure better implementation. Travel costs will decline in years three through five of the grant.

Supplies and Partnerships

Equipment and supplies will be provided as an in-kind contribution from IDOE for the TIF Director, Principal Investigator, as well as any other IDOE staff who assist with the grant. IDOE will contribute computer hardware and software as an in-kind contribution for the RCMTs. Similarly, TAP staff housed at CELL will be provided with office supplies and equipment as an in-kind contribution from CELL.

Adopting TAP as Indiana's chosen PBCS will require a budget for contractual services with NIET. Specifically, the TIF grant will pay for development meetings, startup training, technical assistance, access to the TAP training portal and use of the NIET school review process as well as some data and grant management services. Contractual expenses will be higher in the

planning year of the grant, as part of a quick ramp up of TAP in participating schools. Years two through five, again, will see lower costs for contracted services from NIET.

IDOE also plans to contract with an evaluation partner. IDOE will work with the evaluator to implement an evaluation of the state's TIF grant, as outlined in the Quality of Local Evaluation section of this application. IDOE has budgeted $100,000 per year of the grant for evaluation services.

IDOE has also budgeted for contracted services to complete the work needed to develop a statistically valid high school growth model. As explained in the Project Design and Support for the Proposed Project sections, IDOE plans to require all 10th grade students in TIF schools to take the PSAT. From PSAT scores, IDOE will utilize AP Potential data to project which high school diploma a student is likely to earn upon graduation (the basic diploma, Core 40 diploma, or Core 40 with Academic or Technical honors diploma).

Performance Bonus

Other grant costs include a number of items. The largest and most important of those is performance bonuses for teachers - $2,500 per teacher to be set aside in a bonus pool each year. IDOE expects that number to include approximately 1,500 career teachers, 176 mentor teachers and 44 master teachers. Additionally, as explained in the Project Design and to meet the requirements of Competitive Preference Priority 5, IDOE's TIF grant will offer additional bonuses of $500 to attract and retain teachers in hard-to-staff subjects. Those augmentations will be awarded at the same time as performance bonuses, at the end of the school year. This budget category also includes a performance bonus pool for principals and assistant principals and allocates $20,000 to each school. Through each year of the grant, IDOE will contribute an

increasing share of this total bonus amount per year, as outlined above in section 3. Those funds will be granted to TIF schools each year to increasingly cover the cost of performance bonuses.

Only teachers and principals in TIF schools whose students achieve at least one year of academic growth per year will receive a bonus; therefore it is possible that the entire bonus pool will not be exhausted each year if not enough teachers in a given school are effective at achieving that growth. In that case, IDOE will ask the school to use any carryover amount to redistribute to its school's highest-performing teachers. Since that money is set aside for performance bonuses, IDOE believes it should be kept to that purpose.

Other expenses also include registration fees to startup workshops, Indiana TAP Summer Institutes and the National TAP conference.

IV. Quality of Local Evaluation

(IV)(1) Performance Objectives: Indiana has set forth a number of goals it expects to achieve through this TIF grant, outlined in section (1) of the Support for the Proposed Project. IDOE will measure, during each year of the grant, whether those goals have been achieved. To reiterate, IDOE's project goals are as follows:

1. **By late summer 2012, provide substantial financial incentives, defined as at least 5% of base salary, for teachers and principals who are improving student achievement or taking on additional responsibilities with additional compensation.** The evaluation will determine whether substantial financial incentives are indeed being awarded to teachers and principals who are achieving gains in student growth of at least one year or for master teachers who are performing additional job responsibilities and

duties. Data for this metric will come from both IDOE and each TIF school. IDOE will calculate student growth per teacher for each academic year and will share that data with schools so they may make performance awards. IDOE will follow up with each school each year to monitor whether bonuses are commensurate with the size of the student growth they produced. The same will be done for TIF principals. TIF schools will also report to IDOE the number of mentor and master teacher positions in each building, along with compensation amounts.

2. **By May of 2012, increase teacher efficacy through on-going, applied professional development as measured in observations, evaluations, and qualitative surveys**.

   The state will work with our evaluation partner to design surveys of all TIF schools that will help IDOE measure one of our grant goals: to increase the efficacy of teachers in participating schools. Potential qualitative data includes observations of classrooms and cluster groups as well as interviews of TAP Leadership Teams and career teachers. These surveys should also capture data about IDOE and NIET's support of their implementation as well as teacher, principal, Superintendent, parent and student satisfaction with their schools and TAP. For comparison purposes, the state will survey a similar number of non-TIF schools. The state will rely heavily on our evaluation partner to design these annual surveys. These surveys will take place each year of the grant, including the planning year to provide solid baseline and progress data from which to measure future gains and successes.

   3. By August 2012, TAP schools will begin the school year with 100% of certified positions filled with highly-qualified and effective teachers by the first day of class, having multiple applicants for each position. This goal remains for all subsequent

years of the grant. Further, IDOE will measure whether 100% of such positions are filled by teachers and principals who, on average, are achieving at least one academic year of growth with their students or school, respectively. IDOE already tracks which schools hire teachers in each licensure area under an emergency permit, and the state will also begin to track effectiveness data on the staff at each TIF school.

4. By May 2013, improve student achievement in each TAP school in which all teachers demonstrate, on average, at least 1 year of academic growth with their students. IDOE will measure student growth gains in each TIF school, beginning in the spring of 2012. The goal is for each teacher in each TIF school to demonstrate on average at least one year of academic growth for their students, based on the Indiana growth model, explained in section (1) of the Project Design. Indiana's student growth model meets the requirement of value-added data as outlined in Competitive Priority 4. This data will be released each year by IDOE, as a result of ISTEP+ scores each spring for elementary and middle schools. As explained in the Project Design, IDOE will utilize the planning year to complete development and validation of a growth model for participating high schools, using PSAT and AP Potential data, compared to diploma type obtained. As with all evaluation data, it will be collected for the planning year as well as subsequent grant years so IDOE and each school will have a baseline for future performance.

5. By 2014, TIF schools will retain effective teachers at higher rates than matched control schools. IDOE will track retention of teachers and principals in each TIF school, with the goal that teachers and principals achieving on average at least one year of growth with their students or school, respectively, will be retained at higher rates than in

comparable schools with at least 50% free and reduced lunch enrollments. IDOE can track the retention of effective teachers by comparing the database of certified teachers employed at each school, with each teacher's student growth data.

6. By the end of the 2014-15 school year, all participating schools will have completed planning to continuously appropriate funds to sustain TAP past the end of the grant period. IDOE will work with TAP schools throughout the grant period with the goal that each school will allocate funds to continue TAP beyond the end of the grant period. The TIF Director and CELL will be primarily responsible for working with each individual TIF school to achieve this goal and will record all information regarding each school's progress toward meeting this metric each year of the grant. IDOE will provide information on how much each TAP school is allocated in terms of Title I, Title II, 1003g School Improvement grants as well as other potentially complementary funds. While each participating school may not be a Title I or 1003g school, many are, and all have access to Title II funding along with a full complement of state resources that can easily be applied to TAP expenses.

(IV)(2) Evaluation Data: IDOE's TIF evaluation will measure all of the quantitative data explained in section (1) above in addition to the qualitative survey and observation data collected by schools. Beyond goals for the schools involved in the grant, IDOE will seek to understand how the academic performance, growth, hiring and retention of TIF schools compares to non-TIF schools that also have 50% or higher free/reduced enrollment. IDOE will compare ISTEP+ passing percent, performance on Indiana's school accountability system, known as P.L. 221, as well as academic growth performance between these two groups of schools. Indiana will work with the evaluation partner to design the study so it yields the most useful information possible.

IDOE will share all relevant information on student growth, school demographic, hiring and retention data with the evaluation partner in furtherance of this work.

(IV)(3) Ensuring Feedback and Improvement: The TIF Director, along with the Principal Investigator and other IDOE staff will work with the evaluation partner throughout the grant period, collecting regular summary reports. The TIF Director will work with CELL to ensure that all new data gathered is presented to the TAP Network and is carefully considered so any needed changes to grant administration can be made quickly. The data will guide IDOE to determine which schools need additional support, where the support is needed and how much scaffolding to provide. The TAP Network will be particularly helpful in ensuring that schools with similar implementation challenges are able to work together to share potential solutions. A summary of the TIF evaluation metrics and goals can be found in Appendix C, page 38.

Conclusion

Indiana is ready for significant reform and the performance-based compensation systems called for in TIF. The principles of this competition completely align with the IDOE's reform initiatives and with Dr. Bennett's aggressive agenda. TIF presents an extraordinary opportunity in terms of the scope and pace of the agenda, which focuses on the importance of supporting human capital. In response, Indiana has presented and will deliver on this ambitious implementation strategy that relies on broad stakeholder engagement, dramatically increases teacher and principal effectiveness, and produces improved and enduring student achievement in high-need schools.